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**Wednesday
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BRAZIL:**Military Intimidating Opposition**

The military regime is trying to prevent the adoption of a constitutional amendment that would provide for direct presidential elections, leaving the opposition divided over strategy. [redacted]

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Using emergency measures decreed on Thursday, the authorities have forbidden radio and television coverage of the congressional debate on the amendment, due to begin today. The armed forces have blocked roads to Brasilia and are scrutinizing airline passenger lists to keep out supporters of the amendment. On Monday, the Army staged a parade of 5,000 combat-ready soldiers. It closed two universities in the capital. [redacted]

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President Figueiredo, according to press reports, has told congressmen belonging to the government party that direct balloting would lead to a leftist regime and set the stage for a coup. [redacted]

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Comment: The military's actions are the strongest assertion of power in a decade and reflect deep concern about the presidential succession. Although it remains committed to a return to the barracks, it intends to define the limits of civilian political activity and will not accept a resumption of the populist agitation that prompted its intervention 20 years ago. [redacted]

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Not even the lower house of the Congress is likely to approve the amendment in the face of such pressure. The defeat of the proposal almost certainly will provoke demonstrations and some violence, but security units probably will be able to contain them. The frustration of the hopes of the population and divisions within the opposition are likely to delay the negotiation of a political settlement between the military regime and the opposition parties. [redacted]

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**DOMINICAN
REPUBLIC:****Anti-Government Riots**

The widespread violence on Monday sparked by food price increases apparently took the government by surprise, but it acted quickly to attempt to restore order. [REDACTED]

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Police and Army troops used automatic weapons, shotguns, and tear gas to suppress the riots, in which at least five people died and some 300 were arrested, according to press reports. The leader of the Dominican Communist Party was arrested at his home, as was a longtime dissident with ties to Cuba. Leftwing opposition parties plan to call for more demonstrations against the IMF's austerity program, and business groups have called for a 24-hour protest, according to press reports. [REDACTED]

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A strike called by the country's five labor federations brought Santo Domingo virtually to a halt yesterday. Violent incidents continued raising the death toll in Santo Domingo to between 10 and 20. [REDACTED]

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Comment: The disturbances are a reaction to the economic measures President Jorge Blanco announced in a television address last week after returning from his state visit to Washington. The government's tough response to the outburst on Monday signaled its determination to use whatever force is necessary to keep order. [REDACTED]

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The austerity measures are necessary to carry out the government's agreement with the IMF. They involve the immediate shift of most imports from the official to the more costly free foreign exchange market and tough fiscal measures and will fall heavily on the urban middle class and working classes. [REDACTED]

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Opposition groups appear to be exploiting the discontent, and further disturbances are likely, coinciding with anniversaries this week and next of the civil war in 1965 and the subsequent US intervention. Public outbursts also may erupt again as more details of the IMF program—including petroleum price hikes and new taxes—are revealed in the weeks ahead. [REDACTED]

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UK:**Coal Board Offers Concession**

The National Coal Board's offer to stretch out the time for closing 20 unproductive mines is a show of flexibility that is probably intended to increase divisions among striking miners. [REDACTED]

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A spokesman for the Coal Board said that Board President MacGregor would be willing to extend the 12-month schedule for the closures but would not reduce the number of pits closed or employee layoffs. Some Miner's Union officials are cautiously favorable to the proposal but say they want to examine it further. The strike began its seventh week on Monday, with miners going to transportation centers to try to stop coal deliveries. [REDACTED]

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Comment: Prime Minister Thatcher so far has minimized her role by giving the Board President responsibility for solving the dispute. MacGregor probably engineered the compromise on the timing of closures in order to persuade moderate Union leaders to expand their dialogue with the Coal Board. He and Thatcher probably hope the concession will weaken support for the militant union leaders. [REDACTED]

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The Miner's Union leaders thus far have been unable to attract solid backing from their rank and file or to induce other unions to support their strike. They are hesitant, therefore, to hold a national strike ballot, even though recent rule changes make approval of a strike vote more likely. [REDACTED]

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Union hardliners probably hope that "secondary picketing" at transportation centers will provoke a confrontation with police and help rally their members. [REDACTED]

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Most industries and power stations are functioning normally on stocks of coal that are estimated to last until fall. With 20 percent of the miners at work, the government probably still hopes to ride out the dispute. [REDACTED]

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USSR-AFGHANISTAN: Soviets Continue Advance

[redacted] Soviet forces are advancing slowly beyond Rokhah and that helicopters were operating near Bazarak yesterday. It also shows the garrison at Anawa has been reinforced with a regimental-size unit. Resistance forces suffered heavy casualties from air attacks on Friday. [redacted]

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[redacted] photography shows new bomb craters northeast of Astana. (TS U NF NC OC WN)

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Comment: The Soviets apparently intend to consolidate their forces and to continue bombing suspected insurgent positions before moving farther up the valley toward Khenj. They are likely to experience increasing logistic problems as they advance, however, and Soviet resupply convoys may be vulnerable to insurgent attacks. [redacted]

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UK-LIBYA: Arranging the Break in Relations

The Foreign Office has told the US Embassy that Tripoli has yet to accept the break in relations formally and that Libyan security officials have arrived in London to discuss the situation. The British say the Libyans are refusing to permit British diplomats to leave before the Sunday deadline. The UK has proposed that a small interests section be maintained in each capital. [redacted]

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Comment: London apparently is confident that before Sunday Qadhafi will accept a break in relations as the best way to end the impasse. In order to avoid angering him, officials may tone down their remarks during the Parliamentary debate today, but this will displease right-wing Tories. The Libyans seem determined to reciprocate every British action, and Qadhafi probably wants British diplomats on hand to maintain leverage in the event any Libyans leaving the Embassy are detained. [redacted]

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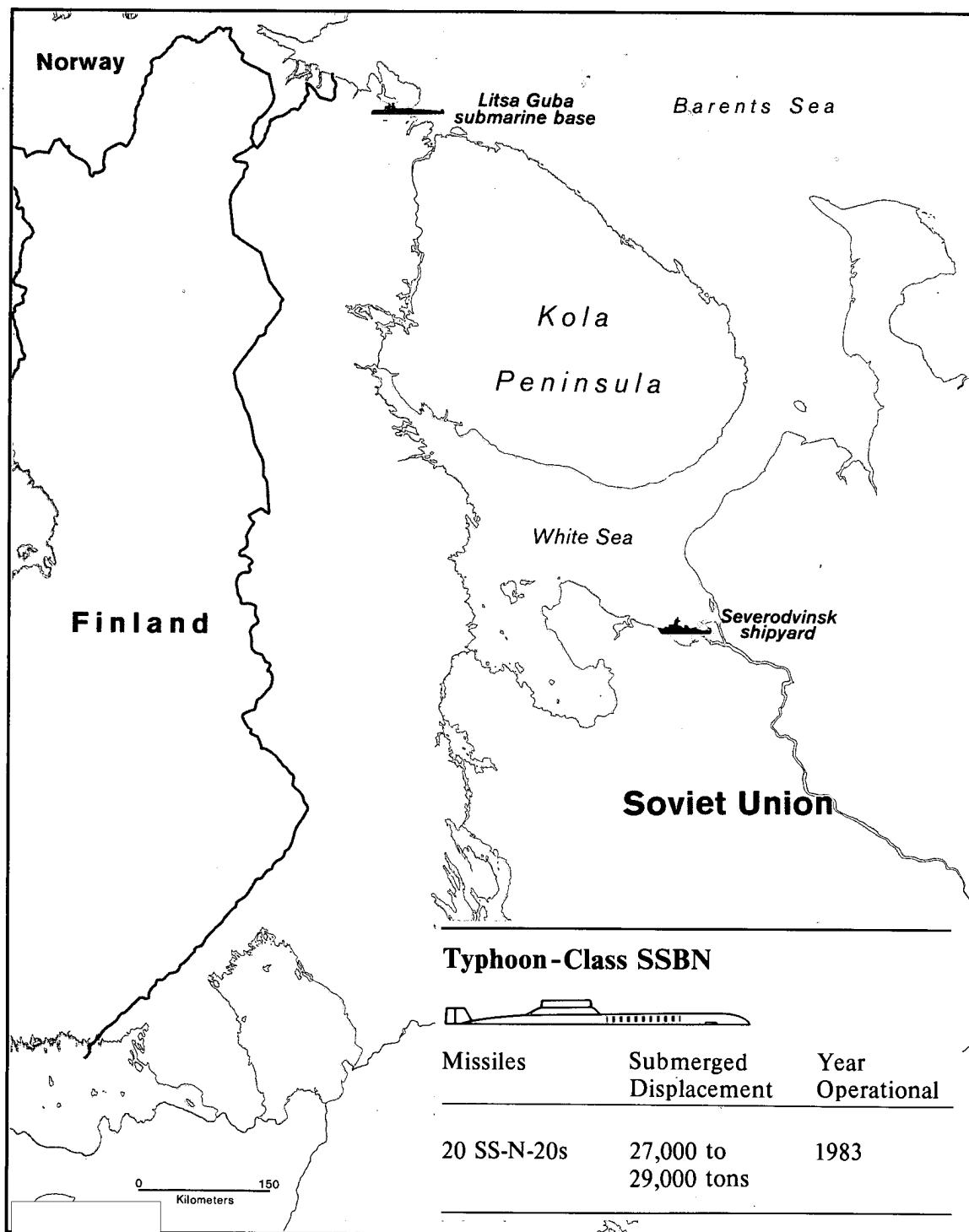
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USSR: Third Typhoon Submarine

[redacted] confirms that the Soviets launched a third Typhoon-class ballistic missile submarine in December. Two were observed on Monday at their operating base at Litsa Guba, and one was seen yesterday at the fitting-out quay at Severodvinsk shipyard.

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[redacted] to indicate that a third Typhoon had been launched. This is the first occasion, however, [redacted] has shown all three submarines in port at virtually the same time. [redacted]

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Comment: The new Typhoon is likely to begin sea trials this summer, when the Soviets will have to begin dismantling a Y-class submarine and its 16 launchers in order to remain within the limits set by the SALT I Interim Agreement. Such an action would be necessary to compensate both for the addition of a new operational SSBN and for its 20 new missile tubes. The Soviets already have dismantled enough launchers on older H-II-class SSBNs to compensate for the extra four missile tubes carried by this Typhoon. The number of Typhoons Moscow intends to build is unknown, but the rate at which this third unit has been built suggests that six Typhoons may be operational by 1988. [redacted]

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Americas

— **Costa Rican** official says **Nicaraguan** aircraft attacked border post with rockets and machinegun fire . . . occurred as anti-Sandinistas being driven from San Juan del Norte, but border clearly delineated by San Juan River. [REDACTED]

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— **Caribbean** members of multinational peacekeeping forces in **Grenada** could pull out because of financial burdens . . . costs now outweigh political gains won by intervention. [REDACTED]

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Europe

— **Portuguese** Communists redoubling efforts to topple Prime Minister Soares's coalition government . . . large public demonstrations planned for today and 1 May . . . opposition from Socialist trade unionists and worker apathy likely to thwart Communist plans. [REDACTED]

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— **Yugoslav** Government crack down on dissidents continues . . . prominent human rights lawyer arrested briefly on Monday . . . a Serbian Communist has threatened further action against dissent. [REDACTED]

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Special Analysis**WEST GERMANY-
EAST GERMANY:****Prospects for Relations**

Despite an increase in the pace of bilateral activity, the most controversial issue—East Germany's insistence that Bonn recognize it as a sovereign state—has not been addressed. Moreover, broadening bilateral cooperation remains subject to definite limits, including Moscow's sensitivity about its strategic interests in Eastern Europe and Bonn's constitutional mandate to seek reunification. [redacted]

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Because of these constraints, Bonn and East Berlin will find it difficult to go beyond their present range of humanitarian, cultural, and economic contacts. But the present pace could create rising expectations that would make it costly for either side to turn back. This, in turn, might encourage Bonn to begin looking for new ways to overcome the obstacles to closer political ties. [redacted]

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Instead of the "ice age" East Berlin threatened would follow INF deployments in the West, bilateral activity has now picked up. Among other developments:

- West German Chancellor Kohl and East German leader Honecker met in Moscow during Andropov's funeral to discuss ways to improve relations.
- In the first three months of this year, the flow of legal East German emigres reached roughly 15,000, surpassing the total number who either emigrated or fled in all of 1983.

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Movement in Bonn

Kohl's center-right government enjoys a much freer hand to pursue these ties than did the previous government, especially since former conservative critics of *Ostpolitik* now realize that it is broadly embraced by the West German public. Indeed, a consensus has emerged over the last year between conservatives in Kohl's government and the Social Democratic opposition in support of closer relations.

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— Ironically, the result has been a competition between the government and the opposition to improve bilateral relations—a dynamic that could increase demands on Kohl to go farther than he wants. []

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The East German Perspective

The Honecker regime probably seeks both economic and political benefits. The more important economic relationship has provided it with large flows of hard currency. Although East Berlin does not face a financial crisis, a new loan from West Germany would be welcome. It would make commercial borrowing abroad easier by strengthening the impression of West German financial backing. []

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The political benefits lie in using the prospect of improved bilateral relations as a way to influence West German policy. The East German regime believes the popular focus on bilateral relations in West Germany reduces Bonn's ability to insist on major political concessions in return for economic assistance. []

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The USSR's tolerance for greater contacts between the two Germanies probably is heavily influenced by economic considerations. Favorable West German trade and credit terms strengthen both East Germany and its ability to contribute to the economic health of CEMA. Moscow may also believe it creates opportunities for increasing its own leverage with Bonn. []

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The Soviets will keep a close watch over the development of German-to-German ties, however, and will not hesitate to intervene if they perceive a threat to their strategic interest in holding sway over East Germany's external relations. []

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Prospects and Implications

Bonn believes that various factors, including the Soviet leadership transition—have given East Berlin new freedom to pursue closer ties with the West, and Kohl seemingly is intent on using this opportunity to the fullest. He also hopes to show the West German public that improved bilateral ties are compatible with adherence to NATO policies, a point that came under dispute during the INF debate last year. []

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Bonn may use a visit by Honecker to announce a new credit guarantee, hoping to create a favorable atmosphere. West German officials have been preparing the public for a new loan and repeatedly point to East German actions such as the emigration increase as an adequate response to the last guaranteed credit. US officials in Bonn also note that Christian Social Union chairman Strauss has discussed with East Berlin an easing of travel restrictions and a reduction in the minimum currency exchange requirement for West German visitors. []

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